

RELIGIOUS, CHURCH, AND WELFARE EXEMPTIONS

OFFICE OF TOM J. BORDONARO, JR. COUNTY ASSESSOR

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Religious Exemptions

Religious exemptions are available to religious organizations that own property and use the property exclusively for conducting worship services and other related religious activities (e.g. bible studies, weddings, church operated schools, etc.)

First time religious exemption claimants must submit:

- A completed religious exemption claim form
- A copy of the organization's certified articles of incorporation
- A copy of a tax letter designating the organization's non-profit status

The annual filing period is lien date (January 1) through February 15. Once eligibility for the religious exemption has been granted, there is a simplified filing process and no penalty for filing late.

If another church uses the owner church for worship services, the outside operator church must apply and qualify for the religious exemption.

If any other outside use is allowed on the property, the owner church will also need to file a welfare exemption claim.

Church Exemptions

Church exemptions are available to religious organizations who conduct worship services on property they rent or lease. The exemption covers the portion of real property used exclusively by the organization, and, in some cases, leased personal property. Allowing use of the leased area by any organization other than the church jeopardizes eligibility for the exemption.

First time church exemption claimants must submit:

- A completed church exemption claim form
- A lessor's exemption claim form completed by the lessor
- A copy of the lease agreement. (The lease should indicate that the church is responsible for paying property taxes. If it does not, documentation must be provided to show that the church benefits from the property tax exemption by a reduction in rent.)
- A copy of the organization's certified articles of incorporation
- A copy of a tax letter designating the organization's non-profit status

The annual filing period for both the church exemption and the lessor's exemption is lien date (January 1) through February 15.

Updated (11-08-16)

"The Assessor and staff seek excellence in providing information, services, and accurate property assessments through our personal commitment to integrity, mutual respect, and teamwork."

Welfare Exemptions

Welfare exemptions are available to non-profit organizations that are religious, hospital, scientific, or charitable in nature, and that:

- Own their own real property and exclusively use the property for exempt purposes
- Own their own personal property and exclusively use the property for exempt purposes (personal property includes tools, equipment, office supplies, furniture, etc.)
- Use government-owned property

First time welfare exemption claimants must submit:

- A completed Claim for Welfare Exemption claim form (BOE-267) (first filing)
- A copy of their Organizational Clearance Certificate issued by the State Board of Equalization

If an organization does not have an Organizational Clearance Certificate, it should submit a completed Claim for Welfare Exemption claim form to establish timely filing. In addition, it should call the State Board of Equalization at (916) 274-3430, or go to the website at www.boe.ca.gov to request an Organizational Clearance Certificate claim form.

No exemption will be allowed until a copy of the Organizational Clearance Certificate is sent to the Assessor's Office.

Once eligibility for a welfare exemption has been established for a given site, there is a simplified filing process. The annual filing period is lien date (January 1) through February 15.

Outside Use

Exemption claimants allowing outside organizations and persons to use their property may jeopardize their exemption unless they also submit:

- Property Use Report and/or a Welfare Exemption Supplemental Affidavit, Organizations and Persons Using Claimant's Real Property, (BOE-267-O)
- Supporting tax exempt status letter for operator(s)
- Lease(s) or use agreement(s)

Failure to provide this information may result in denial of the property tax exemption.

Owner Claimant Requirement			
	Must Submit	Must provide if not already on file with Assessor	Must submit current copy if not already on file with Assessor
Use by operators three times a year or less	Welfare Exemption Supplemental Affidavit (BOE-267-O)	Not applicable	Not applicable
Use by operators once a week or less	Welfare Exemption Supplemental Affidavit (BOE-267-O)	IRS tax exempt status letter 501(c)(3) or 501(c)(4) or Franchise Tax Board tax exempt status letter 23701d, 23701f, or 23701w.	Copy of lease or agreement
Use by operators more than once a week	Welfare Exemption Supplemental Affidavit (BOE-267-O)	IRS tax exempt status letter 501(c)(3) or Franchise Tax Board tax exempt status letter 23701d	Copy of lease or agreement

Please note: Any operator using exempt property must be non-profit and charitable, and using the property for exempt purposes.

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Non-qualifying Use

Not all property owned or used by non-profit organizations qualifies for property tax exemption.

Common reasons that a property, or a portion of a property, **does not** qualify for exemption:

- No exempt activity on lien date (January 1).
- Living quarters that are not institutionally necessary such as rental properties, some parsonages, etc.
- Vacant, unused, excess land (generally the intent to use at a later date does not qualify).
- For-profit groups or individuals using the property.
- Outside groups not meeting the requirements.
- Areas not exclusively used for exempt activity.
- Property primarily used for fund raising.
- Thrift stores (unless they are part of a planned, formal rehabilitation program).
- Vacant property where construction has not commenced as of lien date.

New Acquisition

When a property is newly acquired, non-profit organizations may be eligible for exemption on supplemental assessments and on a prorated portion of the assessment for the fiscal year in which it was acquired. To be eligible, exempt activity, or new construction immediately followed by exempt activity, must begin within 180 days after the date of acquisition. Claim forms must be timely filed (see Filing Deadlines).

Filing Deadlines

To be eligible for a full exemption:

- Annual claims must be filed by February 15.
- Generally, for supplemental assessment claims, existing claimants must file and be eligible for the exemption by the next succeeding lien date, and new claimants must file and be eligible for the exemption within 30 days of the supplemental notice.
- Prorated assessment claims must be filed within 90 days from the 1st day of the month following the month in which the property was acquired or by February 15 of the following calendar year, whichever occurs earlier.

A late-filing penalty, not to exceed \$250, will be applied to claims received after the deadline.

This information is a synopsis of the religious, church and welfare exemptions guidelines. Please call the Assessor's Office for more specific information. The information on these pages reflects California assessment/taxation laws in effect January 1, 2016.